

LNF & IHCIF Calculations Illustration **- YAQUI in Tucson area -**

Given Data

- 4,831 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 81% = % Expenditures on purchased services, 19% = % expenditures in-house
- 101.4% = Cost index for purchasing health care in this geographic area
- 113.1% = Size cost index for in-house costs due to small or large size
- 104.9% = Tucson area cost index for health status above or below average

Cost Adjustment Calculations

- \$2,438 per person for purchased services = $81\% * 101.4\% * \$2,980$
- \$652 per person for in-house services = $19\% * 113.1\% * \$2,980$
- \$3,090 per person total = \$2,438 (purchase) + \$652 (in-house)
- **\$3,242 per person total** adjusted for health status = $\$3,090 * 104.9\%$
- **\$2,497 per person net cost** = $\$3,242 - \745 Other resources (M&M&PI)

Existing Expenditures (for 4,831 users excluding wrap-around and collections)

- \$1,381 per person = local IHS allowance (excludes \$ for wrap-around)
- \$229 per person = expenditures elsewhere in Tucson area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,664 per person for OU users** = $\$1,381 + \$229 + \$54$

LNF Calculation

- **51.3% Gross LNF** = $\$1,664$ (expenditures) / $\$3,242$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **66.6% Net LNF** = $\$1,664 / \$2,497$ net cost ($\$3,242 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 66.6% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

YAQUI Unmet Needs

- **\$12,061,984 Net Total Need** = $4,831$ users * $\$2,497$ net cost
- **\$4,025,493 Net Unmet Need** = $(100\% - 66.6\% \text{ LNF}) * 4,831$ users * $\$2,497$ net cost